



NON-DEPARTMENTAL

The Non-departmental budget is established for the purpose of funding programs that are not part of specific departmental or division budgets.

RECENT ACCOMPLISHMENTS

- Reduced its liability to League of Kansas Municipalities by 7 percent due to early payoff of a building assessment.
- Continued its commitment of \$100,000 in annual funding for reforestation programs.
- Committed additional funding of \$54,670 for enhanced broadcast of City Council meetings and City marketing programs on the internet and cable television.
- An additional 2,338 trees were planted throughout the community through reforestation funding.

OVERVIEW

The City maintains several budgets that cannot be uniquely attributed to departments. These budgets fund programs that can be broadly categorized in three primary areas: Infrastructure, Community Support, and Organizational Investment. The programs are designed to benefit all of the City's stakeholders, both within and outside of the organization. The categories and some of the programs within them are further described below.

INFRASTRUCTURE

The City's commitment to economic development continues at the robust pace set in 2004, with total funding for economic incentives of up to \$1,000,000 allotted. The City has extended economic incentives to help companies in all of its major industries, including health care, manufacturing, and communications.

COMMUNITY SUPPORT

The City Manager's office oversees the majority of these programs, including plans for broadcasting City Council meetings and marketing programs, workshops, and periodic public service offerings. Additional funding will be committed to enhance broadcasting of the programs on the internet, thus extending the reach of the community beyond traditional geographic limits. *Newly offered Internet broadcasts of City Council meetings and marketing programs serve to extend the reach of the community beyond its traditional borders.* Additional funding is also committed for Community Relations, which supports many local services, facilities, and functions related to community information. Additionally, Research and Development activities will continue to be funded at the level of \$75,000. Finally, election expenses continue to be funded every other year, including 2005 and 2007.

ORGANIZATIONAL INVESTMENT

The City will continue to invest in the workforce by committing funds for tuition reimbursement. After having been previously included in the Employee Training and Development account for the past several years, additional tuition funds are being made available to employees who choose to further their professional and personal development. The traditional non-departmental Employee Training Account will also be continued, although it will be funded at lower levels than in the past.

Memberships are another way in which the City supports its employees. Memberships in local, regional, statewide and national professional organizations are funded this year. Examples include the Kansas Technical Training Initiative, National League of Cities, US Conference of Mayors, Minority Business Council, and the Regional Area Economic Partnership through Wichita State's Hugo Wall School of Urban and Public Affairs.

FINANCE AND OPERATIONS

Non-departmental programs are financed primarily from the General Fund. The City continues to commit funding for all major programs that have been created in recent years.



Economic development incentives have been helpful to the City in its efforts to create and retain good jobs.



Non-departmental Budget Summary					
	2004 Actual	2005 Adopted	2005 Revised	2006 Adopted	2007 Approved
Personal Services	38,006	25,000	35,000	35,000	35,000
Contractual Services	288,314	596,460	644,220	506,840	606,840
Commodities	15,493	54,500	50,670	46,000	50,670
Capital Outlay	0	0	0	0	0
Other	800,000	1,400,000	1,400,000	1,400,000	1,400,000
Total Local Expenditures	1,141,813	2,075,960	2,129,890	1,987,840	2,092,510

Non-departmental Budget Summary by Category					
	2004 Actual	2005 Adopted	2005 Revised	2006 Adopted	2007 Approved
Memberships	211,139	280,630	293,890	222,510	222,510
Employee Training/Development	97,956	125,000	100,000	100,000	100,000
Tuition Reimbursement	38,006	25,000	35,000	35,000	35,000
Reforestation	100,000	100,000	100,000	100,000	100,000
Economic Development Activities	550,000	1,300,000	1,300,000	1,300,000	1,000,000
Broadcasting	18,936	20,330	75,000	20,330	75,000
Election Expenses	0	50,000	16,000	0	50,000
Research & Development	60,265	75,000	75,000	75,000	75,000
Employee Recognition	0	25,000	25,000	25,000	25,000
Community Relations	65,510	75,000	110,000	110,000	110,000
Total Local Expenditures	1,141,813	2,075,960	2,129,890	1,987,840	1,792,510

For additional information on Non-departmental programs visit www.wichita.gov/



TOURISM & CONVENTION

The mission of the Tourism and Convention Fund is to support and promote tourism and convention activity in Wichita.

RECENT ACCOMPLISHMENT

- 2004 Transient Guest Tax revenue collection is approximately 9.8% more than 2003.
- Wichita successfully hosted five major conventions in 2004, one of which was the Women's International Bowling Congress with an economic impact of nearly \$41 million, according to the conducted survey.
- Wichita will be hosting the ABC Men's Bowling Tournament in 2011, and annual support payments for this event started in 2004.
- The annual allocation for the Greater Wichita Convention Visitor's Bureau has been increased; additional funds are included in the 2007 budget for rent increases.

OVERVIEW

The Tourism and Convention Fund, financed through a six percent transient guest tax on hotel and motel rooms in Wichita, provides monies to support tourism and convention, infrastructure, and promotion in the City. Transient Guest tax funds are governed by the provisions of Charter Ordinance No. 91 authorizing funding of convention and tourism activities and operation or maintenance of Century II.

FINANCE AND OPERATIONS

The Tourism and Convention Fund finances and operations are well defined and prioritized, based on language in the Charter Ordinances. Fund priorities are: 1) debt service for tourism and convention facilities, 2) operational deficit subsidies and 3) care and maintenance of Century II. Obligations connected to debt service and improvements require the major portion of the Fund's capacity. Funds are also allocated to general tourism and convention promotion, primarily through the Greater Wichita Convention & Visitor's Bureau (GWCVB).

Recent capital investments in convention facilities in the East Bank and Old Town areas have added new debt, increasing the fund's annual expenditures. Debt service on the East Bank conference center parking facility and the new Century II and Expo Hall energy complex began in 1998. Most significantly, the City's annual debt service commitment to the East Bank conference center began in 2000. The Expo Hall debt service was paid off in 2004. However, the East Bank debt service will escalate to over \$1.2 million in 2005, which may have a considerable impact on the amount of funding available for other projects. There were two location fees also included in the 2004 budget: funding support for the Women's International Bowling Congress will be paid off this year, and funding support for the ABC Men's Bowling Tournament, scheduled in 2011, started in 2004. In 2005, Transient Guest tax is projected to increase by three percent over the last 5-year average to allow for some increases in the expenditure budget. The 2005 Revised budget included the increases for GWCVB's annual allocation, and continued support for the Wichita Aviation Festival, which is now called Kansas Fly Festival.



Warren Theatre in Old Town. Picture taken by Darren Decker.

Tourism and Convention Fund Budget Summary					
	2004 Actual	2005 Adopted	2005 Revised	2006 Adopted	2007 Approved
Total Revenue	4,943,227	4,598,060	4,655,660	4,737,520	4,832,090
Budgeted Expenditures:					
Century II/Expo Hall	2,453,680	2,422,960	2,355,780	2,949,850	2,598,610
Promotion / Convention	1,775,569	1,361,320	1,833,000	1,850,330	1,947,830
Tourism Initiative & Marketing	144,732	529,500	145,000	145,000	145,000
Other	259,700	304,700	284,700	179,020	154,020
Total Expenditures	4,633,681	4,618,480	4,618,480	5,124,200	4,845,460
Fund Balance	605,765	210,719	642,945	256,265	242,895

For additional information on the GWCVB visit www.visitwichita.com!



TAX INCREMENT FINANCING

The Tax Increment Financing (TIF) District budgets are established for one of two purposes. The environmental TIFs pay for remediation of pollution problems while protecting property values in polluted areas. The economic development TIFs use growth in property values within the TIF District to pay for City-financed capital improvements.

RECENT ACCOMPLISHMENTS

- The WATER Center cleans the contaminated water in the Gilbert and Mosley District using air sparging technology. Additionally, the Center houses environmental education and community events.
- Environmental assessments and groundwater testing continued in the Gilbert and Mosley and North Industrial Corridor (NIC) Districts.
- East Bank District 2003 revenues exceeded expectations, due to updated appraisals on several properties within the District.
- Many of the Central and Hillside improvements were completed in 2003. As businesses move into the area, the District valuation will increase.

FINANCE AND OPERATIONS

Kansas State law (K.S.A. 12-1770) provides that costs related to the redevelopment of an area designated as "blighted" or a "conservation area" may be recovered using Tax Increment Financing (TIF). The TIF mechanism dedicates the property tax revenue resulting from redevelopment (and assumed subsequent increased property values) toward repayment of the initial redevelopment cost.

State law (K.S.A. 12-1771a) also allows the City to fund the cleanup of an environmentally contaminated area using a special type of TIF. Environmental tax increment (decrement) financing involves the restoration of property values in a contaminated area to higher, pre-contamination levels and capture up to 20% of the increment of property tax produced by the valuation increase to pay cleanup costs.

The economic development TIFs comprises five separate redevelopment projects: East Bank, Old Town, 21st & Grove, Central & Hillside and Old Town Cinema. Each of these projects provides TIF financing to defray the cost of infrastructure redevelopment and/or enhancements within the districts. The environmental TIFs address groundwater contamination remediation projects and consist of two separate districts, Gilbert & Mosley and North Industrial Corridor.

Economic Development TIFs. Economic development TIF funds are used to pay the debt service costs associated with bonds issued to finance redevelopment costs within the districts. Redevelopment activities include improvements to

sidewalks, streets, curbs and gutters, street lighting and other public infrastructure improvements and public amenities. The improvements help ensure that the areas remain vital components of the City's overall economic growth strategy.

The Economic Development Division of the City Manager's Office administers the economic development TIFs. The Division assists in forecasting TIF revenue, as well as establishing the mechanism and schedule for debt repayment. Expenditures are primarily debt service payments on the infrastructure improvements used in the development of the districts.

Environmental TIFs. TIF District #1 was established in 1991 to fund the clean up of groundwater contamination in the Gilbert & Mosley area in south central and southeast Wichita. At that time, the City entered into an agreement with the Kansas Department of Health and Environment (KDHE) whereby the City agreed to undertake the clean-up to avoid the substantial cost and stigma associated with designation as a Superfund site. TIF District #2 was established in January 1996 to fund the clean up of groundwater contamination in the North Industrial Corridor (NIC) area in north central Wichita.

FUTURE CHALLENGES

- In the Gilbert and Mosley TIF, studies and reports required by KDHE are nearly complete. Once the studies and recommendations are approved, design of pollution remediation systems can begin.
- For Gilbert and Mosley projects, financial support from potentially responsible parties (PRPs) will be critical to implementing pollution mitigation measures.
- In the NIC TIF, preliminary studies and reports are already underway. When completed, the reports will be filed with KDHE. After preliminary KDHE approval, a pollution mitigation strategy and schedule will be developed.
- Continuing growth and development in economic development TIF districts will be required to fully cover all debt service costs. Currently several of the TIFs are in arrears on their debt payments.



Tax Increment Financing Budget Summary

	2004 Actual	2005 Adopted	2005 Revised	2006 Adopted	2007 Approved
Gilbert and Mosley TIF Fund Revenues	5,162,203	3,005,040	3,875,000	3,040,040	3,040,040
Gilbert and Mosley TIF Fund Expenditures	3,659,745	5,715,190	2,788,430	6,361,190	3,024,850
Gilbert and Mosley TIF Fund Balance	2,452,680	279,082	3,539,250	217,900	233,490
North Industrial Corridor TIF Fund Revenues	1,187,401	1,195,300	1,184,210	1,207,300	1,213,300
North Industrial Corridor TIF Fund Expenditures	768,477	3,618,250	1,419,660	3,884,090	1,199,090
North Industrial Corridor TIF Fund Balance	2,912,336	155,532	2,676,886	96	14,306
East Bank TIF Fund Revenues	454,677	497,970	504,870	579,420	580,920
East Bank TIF Fund Expenditures	492,850	1,050,400	1,010,400	590,350	609,690
East Bank TIF Fund Balance	545,568	48,431	40,038	29,108	338
Old Town TIF Fund Revenues	438,651	700,400	482,280	690,650	694,150
Old Town TIF Fund Expenditures	194,404	1,624,450	110,000	1,810,640	243,930
Old Town TIF Fund Balance	750,472	17,975	1,122,752	2,762	452,982
21 st and Grove TIF Fund Revenues	68,937	79,880	20,120	20,270	20,370
21 st and Grove TIF Fund Expenditures	78,000	79,880	20,200	20,300	20,400
21st and Grove TIF Fund Balance	99	2	19	89	59
Central and Hillside TIF Fund Revenues	87,147	1,127,600	885,390	983,520	984,960
Central and Hillside TIF Fund Expenditures	87,000	1,127,600	885,390	983,520	984,960
Central and Hillside TIF Fund Balance	147	0	147	147	147
Old Town Cinema TIF Fund Revenues	52,252	181,640	562,670	323,080	323,300
Old Town Cinema TIF Fund Expenditures	52,000	181,640	562,920	323,080	323,300
Old Town Cinema TIF Fund Balance	252	0	2	2	2
Total FTE positions	0	0	0	0	0

For additional information on Tax Increment Financing visit <http://www.wichita.gov/>!



SELF-SUPPORTING MUNICIPAL IMPROVEMENT DISTRICT

The Self-Supporting Municipal Improvement District (SSMID) is established to promote downtown and foster economic growth and vitality in the downtown area.

OVERVIEW

In 2000, the City Council approved the formation of a Self-Supporting Municipal Improvement District (SSMID) in downtown Wichita. The SSMID is a benefit assessment district created to improve and convey special benefits to properties located within the central business district of Wichita. The district was endorsed by a majority of downtown property owners with the stated purpose of financing improvements and services in the central business district on a supplemental basis. Activities funded by the SSMID will supplement, not replace, existing downtown promotion/marketing activities.

Under State law, the District has a 10-year lifespan, with SSMID funds available beginning on January 1, 2002. After 10 years, the SSMID may be renewed by repeating the district formation process. The district currently levies an additional 5.95 mills of property tax on commercial properties located within the district to support SSMID activities; State law provides that up to 10 mills may be levied for this purpose. This additional tax revenue is dedicated solely to SSMID activities.

The SSMID is governed by the City Council. The Kansas SSMID statute allows for the creation of an advisory board to submit operating plans and budgets to the Council, and to provide assistance in policy direction for SSMID-funded activities. Voting members of the SSMID Advisory Board must be property owners and/or lessees of commercial property (or corporate designees) within the District, and must provide evidence that they pay SSMID assessments.

FINANCE AND OPERATIONS

The goals of the SSMID include providing a strong, unified voice for the downtown area; strengthening downtown's competitiveness to attract and retain businesses; and protecting and enhancing downtown property values. Supported activities include image enhancement, marketing, business retention and recruitment, urban vitality improvements and operational activities.



City of Wichita downtown area.

Self Supporting Municipal Improvement District Budget Summary					
	2004 Actual	2005 Adopted	2005 Revised	2006 Adopted	2007 Approved
SSMID Fund Revenue	592,608	591,150	591,150	614,790	614,790
Contracted Program Activities	564,880	566,150	566,150	614,790	614,790
Loan Repayment	25,000	25,000	25,000	0	0
Total SSMID Fund Expenditures	589,880	591,150	591,150	614,790	614,790
SSMID Fund Balance	27,615	7	27,615	27,615	27,615
Total FTE positions	0	0	0	0	0

For additional information on the Self-Supporting Municipal Improvement District visit <http://www.downtownwichita.org/main.cfm!>